

**STATEMENT OF PROCEEDINGS FOR THE
SPECIAL MEETING OF THE
CITY OF SAN FERNANDO OVERSIGHT BOARD**

**CITY OF SAN FERNANDO
CITY COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CALIFORNIA 91340**

Wednesday, May 20, 2015

10:00 AM

I. CALL TO ORDER

Vice Chair Ramirez called the meeting to order at 10:09 a.m.

II. ROLL CALL

Tanya Ruiz, Administrative Staff, called the roll.

Present: Board Members William Bass, Sonia Gomez-Garcia, Robert Moran, Monte Perez, Jerry Ramirez and Vice Chair Frederico Ramirez

Absent: Chair Judith Frank

III. ADMINISTRATIVE MATTERS

1. Recommendation: Approve the minutes of February 11, 2015. (15-2160)

On motion of Board Member Gomez-Garcia, seconded by Board Member Perez, unanimously carried (Chair Frank being absent), the Oversight Board approved the February 11, 2015 minutes.

Attachments: [February 11, 2015 Minutes](#)

IV. DISCUSSION

2. Review of ROPS 14-15A Administrative Cost Allowance for the Period Covering July 1, 2014 through December 31, 2014. (15-2181)

Nick Kimball, Finance Director, provided a detailed Staff Report regarding the Administrative Cost Allowance of the Successor Agency, covering the period of July 1, 2014 through December 31, 2014. Mr. Kimball referred to Attachment A, a listing of the Administrative Cost Allowance Expenditures, as well as Attachment B which lists a detailed breakdown of the staff's hourly rates.

Mr. Kimball explained that the overhead was calculated based on a rate of 25% and the hourly rate based on 1,800 productive hours per year; which excludes 280 hours of Annual Leave and unproductive hours of staff, i.e. vacation, sick and holiday leave, in the calculation.

Board Member Bass questioned the process of which the Overhead was determined and expressed his concern for the omission of staff's leave time within the calculation. Board Member Bass indicated that he has never seen an overhead calculated in this manner and added that colleagues of the Los Angeles Unified School District (LAUSD) also shared the same concerns. Mr. Kimball noted that the calculation procedures and processes that were used, is the same process as one would use when applying for a Federal or State Grant, in addition, other small Cities use the same process.

Board Member Bass requested for additional information regarding the City Treasurer who receives both an earning of a full time staff as well as a stipend. Mr. Kimball clarified that the City Treasurer holds two positions; that of a city employee receiving a full time staff earnings and also as an elected official which receives a stipend.

Board Member Perez concurred with the concerns of Board Member Bass relating to the calculation of the overhead cost, and indicated that he too has not seen an overhead calculated that excludes unproductive hours.

Further discussion ensued regarding the overhead calculation and the funds received by the City Treasurer. Vice Chair Ramirez recommended that the item be tabled so that staff can included further detail on the funds received by the City Treasurer and in addition, requested that staff recalculate the Staff Overhead Costs to include the additional Annual Leave Hours which were previously excluded.

Although it was noted that no action is required and the update is only to "Receive and File", Mr. Kimball indicated that he would revise the update to provide further detail as requested.

On motion of Vice Chair Ramirez, seconded by Board Member Bass, duly carried by the following vote, the oversight Board continued this item to the next Regular meeting to instruct staff to include further detail on the position and funds received by the City Treasurer, and allow for revisions to the Overhead Calculation:

Ayes: 6 - Board Member Bass, Board Member Gomez-Garcia, Board Member Moran, Board Member Perez, Board Member Ramirez and Vice Chair Ramirez

Absent: 1 - Chair Frank

Attachments: [ROPS 14-15A Administrative Cost Allowance Review](#)

V. CLOSED SESSION ITEMS

By Common Consent, there being no objection (Chair Frank being absent), the Oversight Board entered into Closed Session at 10:42 a.m.

3. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION G.C. §54956.9(d)(1). Name of Case: City of San Fernando et al. v. Wendy L. Wantanabe, in her official capacity as the Auditor Controller of the County of Los Angeles LASC Case No.: 34-2013-80001550-CU-WM-GDS. (15-2185)

Closed Session adjourned and Open Session reconvened at 11:01 a.m. with the following Board Members present: William Bass, Sonia Gomez-Garcia, Robert Moran, Monte Perez, Jerry Ramirez and Vice Chair Frederico Ramirez. Chair Frank was absent.

ACTION TAKEN:

Matthew Kelly, Legal Counsel of Olivarez Madruga, reported that the Oversight Board approved the Settlement Agreement and authorized the City Manager to execute the Agreement which would allow the Successor Agency to settle and close the case. The vote received (five) 5 Ayes, with (one) 1 member abstaining.

VI. STAFF COMMUNICATIONS

This time is set aside for Successor Agency staff to update the Board on important items initiated by staff or previously requested by the Oversight Board.

Nick Kimball, Finance Director, informed the Oversight Board of Governor Brown's May revision to the State's Budget and indicated that staff will keep the Board Members apprised once the budget bill has been fully reviewed.

Mr. Kimball also noted that the next Regular Oversight Board meeting date is scheduled for June 11, 2015; however currently the only item staff has to present, is a revised update and review of the Administrative Cost Allowance for the period covering July 1, 2014 through December 31, 2014, as requested by the Oversight Board. Mr. Kimball further indicated

that it was likely the State Budget would be finalized before the next Regular Oversight Board Meeting of July 9, 2015, therefore suggested that the Board wait to meet in July. Board Member Bass thanked staff for their continuous work and informed that a meeting in June is not necessary if there are no other items to present.

VII. MISCELLANEOUS

4. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (15-2188)

There were none.

5. Public Comment. (15-2190)

There were none.

6. Adjournment. (15-2192)

On motion of Board Member Perez, seconded by Board Member Bass, unanimously carried (Chair Frank being absent), the Oversight Board adjourned the meeting at 11:04 a.m.